Safe, Clean Water and Natural Flood Protection Program

Independent Monitoring Committee

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February 28, 2017

To: Santa Clara Valley Water District Board of Directors,

The Independent Monitoring Committee (IMC) is pleased to present its third annual report in review of the *Safe, Clean Water and Natural Flood Protection Program* (SCW) *for Fiscal Year 2015-16* to the Board.

The IMC consists of members of the public appointed by the Board. Its annual report is intended to add further transparency and public accountability to the implementation of the SCW program. The IMC reviews the SCW annual report after it has been presented to and accepted by the Board. The IMC report looks back at the prior year to ensure that funds from SCW are spent according to the voter approved priorities identified in Measure B and that projects are moving forward in a timely manner. The IMC understands the importance of its role and is committed to a thoughtful and thorough review of the SCW program annual report. The IMC's report also includes recommendations to help meet the priorities of the program within the approved budget. Its report is presented to the Board and is available to the public.

The IMC met on December 7, 2016 to begin its third annual SCW review process and agreed to continue the subcommittee reporting process and re-elected the Chair and Vice Chair. In response to requests by the IMC, Santa Clara Valley Water District (District) staff presented information regarding the Change Control Process, the Nitrate Treatment System Rebate Program, a Trash Map, and information regarding plant palettes and possible users at this meeting. Staff also presented an update from the Board's Homeless Encampment Ad Hoc Committee.

Subcommittees met with District staff during the first two weeks of January 2017 and presented the findings to the IMC as a whole on January 25, 2017. IMC members agreed that Chairs of each subcommittee led by the Chair of the IMC, draft the third IMC report to the Board. The draft report was presented to the IMC as a whole on February 15, 2017 for final review, edits and approval.

The IMC recommendations regarding the information provided in the SCW Annual Report continue to refine and improve the report, to standardize information, and provide further details in a way intended to be easily understood by the public. As in our prior reports, IMC comments and recommendations for each individual project are included in the attached document.

The IMC would like to let the Board know that while most of our comments and recommendations directed to the SCW 2015-2016 report are minor suggestions for improving the clarity of the report, we have had lengthy discussions on the following:

- The Nitrate System Rebate Program and the low number of rebate requests vs the staff time and cost spent to promote the program. While there was once again robust discussion regarding this program, the IMC decided to not recommend changes until next year to incorporate recommendations into the next 5 Year Implementation Plan.

- While the SCW Anderson Dam Project's Key Performance Indicator to provide funding remains the same, recent geotechnical and geologic investigation results have necessitated more extensive earthwork on the existing embankments to address seismic deficiencies. Questions from the IMC were about the expanded dam project.
- Project E4 (Upper Penitencia Creek Flood Protection Coyote Creek to Dorel Drive – San Jose) It is important to note that the IMC does not agree with the status of Project E4. The SCW 2015-2016 report identifies the status of the project as "Adjusted". The Key Performance Indicators for this project identify a preferred project with federal and local funding and a local funding only project. Project E4 is moving forward as a local funding only project and is on target as such. The IMC recommends the status of this project change from "Adjusted" to "On Target".

The Challenges, Concerns and IMC General Recommendations from Years 1 and 2 regarding Permitting and Capital Funding Partnerships have taken on a new complexity and uncertainty given the priorities and values of the new administration. District staff face an unknown and unpredictable federal funding future. Our recommendations will hopefully provide the general public insight as to the complexity of many of the SCW projects and the inter-dependence many District projects share with our local, state and federal partners.

With its review of the *Safe, Clean Water and Natural Flood Protection Program for Fiscal Year 2015-2016* report complete, the IMC finds that funds from Measure B are being spent in accordance with the voter approved priorities identified in the measure and that the District is acting responsibly to ensure projects are moving forward in a timely matter. The IMC is pleased to find their recommendations from Years 1 and 2 incorporated in this report.

We would also like to thank staff for the strong support they give the IMC. The review of each project by the subcommittees are thorough and subcommittee members ask very detailed questions. The answers provided by staff help the IMC craft suggestions designed to improve the clarity of the yearly report.

We thank the Board for the support they have shown our recommendations and look forward to returning next year.

Sincerely,

Kathleen Sutherland, Chair
Independent Monitoring Committee

Attachments: Challenges, Concerns and IMC General Recommendations
IMC Fiscal Year 2015-2016 Annual Report (project by project review)

cc: Independent Monitoring Committee Members

Challenges, Concerns and IMC General Recommendations

Challenges and concerns regarding Permitting, Capital Funding Partnerships and Climatic Extremes will likely continue throughout the life of the SCW program. This year there is the additional complexity from the uncertainty of support from the Federal government.

Permitting – (Prior year comments/recommendations)
The majority of capital projects in the Annual Report require permits from other agencies and obtaining these permits in a timely manner can be a challenge. Permit delays can increase construction costs and erode the public's trust.

- The IMC recommends the District continue to look for new ways to reduce or eliminate permitting delays and provide the public with clear information about the timeline for each project including specific information about how long the District has been waiting for permits from other agencies and steps taken to address the delays.
- The IMC recommends staff develop an action plan to make sure all options to address permit delays have been explored and include that information in the next Annual Report.

2015-2016 Recommendations:

- *Include a table that lists each capital project and shows the different agencies providing approval for each project with a simple H, M, or L (high, medium, low) to indicate level of confidence that approval for the project will be received.*
- *Regarding the length of time the District has been waiting for permits from other agencies:*
  - *Include the date the application was accepted as completed and the number of days the agency has to respond, if applicable.*
  - *If there is a delay beyond the respond by date, provide information about next steps taken by the District to address the delay.*

Capital Funding Partnerships – (Prior year comments/recommendations)
Large capital projects cannot be funded solely by the District and can rely heavily on funds from outside agencies. There are two areas which can prove challenging to the successful completion of these types of projects.

- Funding – Funding from outside agencies is not always guaranteed nor is it always delivered at the projected time.
- Local Priorities – *(vs priorities associated with Federal project funding)*
  - The IMC recommends the District continue to develop projects that reflect our local priority of enhancing and improving the condition of our rivers and creeks while providing the necessary flood protection.

2015-2016 Recommendation: The IMC recommends the 2016-2017 SCW report include a table listing each project with multiple funding sources with a simple H, M, or L (high, medium, low) for each funding source to indicate level of confidence that funding will be received.

Climatic Extremes - (Prior year comments/recommendations)

Drought
The effect of the drought on stream flow, water quality and vegetation restoration has created challenges for meeting specific KPIs in several projects. For the District as a whole, the immediate need for staff to address the impacts of the drought on available water has diverted staff time from the program to the pressing need to conserve and find other sources of water.

- The IMC recommends the District re-evaluate the timing and costs of projects significantly affected by the drought.
- The IMC recommends the District provide information about how the need to address our critical water shortage has affected staff time for the Safe, Clean Water and Natural Flood Protection Program.

2015-2016 Recommendation: None

IMC Recommendations - Annual Report Format

Status Box/Status Section
If the status of a project changes from On-Target, provide a brief explanation (a few words) under the status box. In addition, create a Status History section that shows the year and status. Maintain that information in all subsequent SCW Annual Reports.

Maps
Review all maps in the report to ensure they have appropriate legends.

Confidence Levels - Jurisdictional Complexity
Projects including information regarding Confidence Levels should complete the Jurisdictional Complexity section and list the other organizations with jurisdictional authority.

Priority B – Reduce Toxins, Hazards and Contaminants in Our Waterways
The IMC recommends the 2016-2017 report include a table showing the cost of the creek and river clean-up projects with the tonnage of trash removed for each affected watershed for projects B1, B2, B3, B4, B6, and B7.

Appendix A – Cumulative Financial Summary FY 2013-2016, page A-2
Revenue – Other ($79.7 million)
Identify the source of these funds and the amount per source as an additional table to Appendix A.

Appendix C – Grantee and Partners Information

- Include the date the project was completed and the measureable results from that project.
- For creek clean ups include tonnage of trash removed and the locations where the trash was removed.
- Clarify the title of Appendix C to differentiate community partnerships from capital project partners not included in this table.

Additional IMC Support

The IMC requests that the District:

- Continue to provide opportunities for IMC members to visit projects to obtain a better understanding of SCW Projects.
- Provide presentations on the following:
    - Santa Clara Valley Open Space Authority and the opportunities resulting from the passage of Measure Q
    - SCW Independent Audit Results, staff response and Board direction
    - U.S. Army Corps of Engineers (USACE) project updates provided to the Board on April 11, 2017

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Independent Monitoring Committee
Fiscal Year 2015-2016 Annual Report

Safe, Clean Water and Natural Flood Protection

Priority A: Ensure a Safe, Reliable Water Supply

Project:		Status:	Comment:
A1	Main Avenue and Madrone Pipelines Restoration	Adjusted	IMC agrees with project status. Recommendations are: - In the FY17 Safe, Clean Water Annual Report a. Work with Finance to better present the funding data in the related Appendix (A2) entry. b. Add information regarding jurisdictional complexity.
A2	Safe, Clean Water Partnerships and Grants	On Target	IMC agrees with project status. Recommendations are: - For the FY17 annual report, update the A2 financial table to include estimates for each of the A2 project's 15-year program allocations, instead of "see footnote". <u>Water to Go (Hydration Station) Grant Program</u> - Survey schools to see if stations are being used and include the results in the next FY annual report. <u>Nitrate Treatment System Rebate Program</u> - Promote the rebate program through the District's well testing program. - Consider increasing the rebate to 100% of system cost, with a cap amount.
A3	Pipeline Reliability Project	Scheduled to begin in 2025	IMC agrees with project status and acknowledges the District's efforts to accelerate the project schedule. No recommendations.

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Independent Monitoring Committee
Fiscal Year 2015-2016 Annual Report

Safe, Clean Water and Natural Flood Protection

Priority B: Reduce toxins, hazards and contaminants in our waterways

Project:		Status:	Comment:
B1	Impaired Water Bodies Improvement	On Target	IMC agrees with status. Recommendations are: - Post the Pollution Prevention Prioritization Plan to the project webpage. - In the FY17 Safe, Clean Water Annual Report a. Reference what water is being improved and which water treatment plant is receiving improved water. b. Provide additional detail on preventing re-encampment and funds spent on the related agreements.
B2	Interagency Urban Runoff Program	On Target	IMC agrees with status. Recommendations are: - In the FY17 annual report a. Show the funds that went to pollution prevention versus pollutant removal. b. Add footnote to Graph B2.1 to explain the tonnage anomaly in FY15.
B3	Pollution Prevention Partnership and Grants	On Target	IMC agrees with status. No recommendations. The IMC does, however, suggest that the District consider updating the project's communication plan in order to disseminate the results from the projects funded by the grants with organizations and communities that can benefit from the information. The two projects listed below came to the attention of the IMC as examples of projects that have particularly useful information. - Regents of the UC "Effective Storage Composting of Livestock Manures"; and - Acterra Stewardship "Greening Urban Watersheds"

Project:		Status:	Comment:
B4	Good Neighbor Program: Illegal Encampment Cleanup	On Target	IMC agrees with status. Recommendations are: - In the FY17 Safe, Clean Water Annual Report, include more information on the funding status and ad hoc committee results.
B5	Hazardous Materials Management and Response	On Target	IMC agrees with status. No recommendations. The IMC does, however, suggest that the District: - Increase outreach using social media, such as Nextdoor, to help get the word out and try to get other municipalities to reference our website. - Also, consider increasing the District's creekwise mailer delivery to neighbors of tributaries as well as the major creeks.
B6	Good Neighbor Program: Remove Graffiti and Litter	On Target	IMC agrees with status. Recommendations are: - For the FY17 Safe, Clean Water Annual Report, include graph that shows cost of removal per ton of trash.
B7	Support Volunteer Cleanup Efforts and Education	On Target	IMC agrees with status. Recommendations are: - Link grant proposals to the project webpage. - Perform project outreach through the District's Education Program and through other programs, such as Rethink Disposable.

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Independent Monitoring Committee
Fiscal Year 2015-2016 Annual Report

Safe, Clean Water
and Natural Flood Protection

Priority C: Protect our water supply from earthquakes and natural disasters

Project:		Status:	Comment:
C1	Anderson Dam Seismic Retrofit	On Target	IMC agrees with status. Recommendations are: - Safe, Clean Water Program text adjustments to description and benefits sections to a. Change billions of gallons to acre-feet (bullet #3 in benefits) b. Include pros and cons of not doing the project c. Include cost/benefit of the project, including flood protection benefits - In the FY17 annual report a. The information in second bullet under "Progress on KPI #1" should move to Opportunities and Challenges where more detailed information can be presented in future reports. b. Add the total project cost under the Opportunities and Challenges section.
C2	Emergency Response Upgrades	On Target	IMC agrees with status. No recommendations.

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Independent Monitoring Committee
Fiscal Year 2015-2016 Annual Report

Safe, Clean Water and Natural Flood Protection

Priority D: Restore wildlife habitat and provide open space

Project:		Status:	Comment:
D1	Management of Revegetation Projects	On Target	IMC agrees with status. Recommendations are: - For the FY17 annual report a. Include a map of the revegetation sites and provide a link on project webpage b. Provide explanation about impact and actions taken regarding Phytophthora c. Add a footnote to graph D1.1 to explain why the FY14 deviation occurred (page 56). d. Include projected acreage in the graph i. Demonstrates the concern regarding staff levels required to support increased acreage.
D2	Revitalize Stream, Upland and Wetland Habitat	On Target	IMC agrees with status. Recommendations are: - For the FY17 annual report, create a table showing the total acreage for each project completed in the fiscal year, with the percentage of work completed under D2. In addition, the IMC suggests greater dissemination of information: - Identify community opportunities to share D2 outcomes. - Provide web links to District's planting palettes to city planning departments to include on their websites. - Include methods for removal of invasive plants in existing District mailers or other outreach materials.

Project:		Status:	Comment:
D3	Grants and Partnerships to Restore Wildlife Habitat and Provide Access to Trails	On Target	IMC agrees with status. Recommendations are: - For the FY17 annual report a. Include completed grants and partnerships in Appendix C b. Add a notation regarding CEQA to the table to show i. CEQA status ii. Footnote on table to indicate whether the District is preparing the CEQA document and the related admin costs. c. Correct the description for San Francisco Bay Bird Observatory project to say "re-establish" a healthy nesting population, rather than establish.
D4	Fish Habitat and Passage Improvement	On Target	IMC agrees with status. No recommendation.
D5	Ecological Data Collection and Analysis	On Target	IMC agrees with status. No recommendations. The IMC does, however, consider this a great resource that should be used as widely as possible and encourages promotion of the tool for other jurisdictions that are planning projects. In addition, the IMC suggests: - In future SCW annual reports, once applicable, show changes as the District adds reassessments.
D6	Creek Restoration and Stabilization	On Target	IMC agrees with status. Recommendations are: - For the FY17 annual report, include project maps and information on jurisdictional complexity.

Project:		Status:	Comment:
D7	Partnerships for the Conservation of Habitat Lands	On Target	IMC agrees with status. Recommendations are: - For the FY17 annual report, include an explanation of the District's obligations to and expected benefits of the Valley Habitat Plan in the Opportunities and Challenges section.
D8	South Bay Salt Ponds Restoration Partnership	On Target	IMC agrees with status. Recommendations are: - For the FY17 annual report, include an explanation for the cause of the erosion to show that it is a result of wind induced wave action and not a result of the District's work.

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Independent Monitoring Committee
Fiscal Year 2015-2016 Annual Report

Safe, Clean Water and Natural Flood Protection

Priority E: Provide flood protection to homes, businesses, schools and highways

Project:		Status:	Comment:
E1	Vegetation Control and Sediment Removal for Flood Protection	On Target	IMC agrees with status. Recommendations are: - For the FY17 annual report a. Clarify the challenges and explain why we do not have a target of 100% of improved channels at design capacity. Could possibly include confidence levels. b. Add graphs for each of the E1s. c. Include a permitting confidence level under the Opportunities and Challenges section.
E2	Emergency Response Planning	On Target	IMC agrees with status. Recommendations are: - For the FY17 annual report a. Include challenges of coordinating with the cities to incorporate the District-endorsed flood emergency procedures into their Emergency Operations Center (EOC) plans. b. Add more background information about the Community Rating System (CRS) i. Explain that some SCW activities benefit the CRS Program and how in turn the participating communities can benefit from this. In addition, the IMC suggests: - The District review the EOC procedures for each city in SCC and recommend what to incorporate from the District's flood emergency procedures.

Project:		Status:	Comment:
E3	Flood Risk Reduction Studies	On Target	IMC agrees with status. Recommendations are: - Safe, Clean Water Program text adjustments to the benefits section (bullet 2) to indicate that the project may remove (or add) parcels to the Federal Emergency Management Agency (FEMA) regulatory floodplain to more accurately reflect the flood risk. - For the FY17 Safe, Clean Water Annual Report a. Include a simplified floodplain map when a study is reported out to show the area impacted by the study, with a link to a more detailed map. b. Explain that it is ultimately a city's responsibility as Floodplain Administrator to work with FEMA to update FEMA's maps and that the SCW role is as a technical resource.
E4	Upper Penitencia Creek Flood Protection Coyote Creek to Dorel Drive – San José	Adjusted	IMC does not agree with status. Recommendations are: - For the FY16 Safe, Clean Water Annual Report, the project status should be changed from "Adjusted" to "On Target" because the project provided two alternatives (KPIs 1 and 2), and is on target to achieve KPI 2, the *"local funding only" project.* - For the FY17 Safe, Clean Water Annual Report a. Update the map to show Dorel Drive. b. Add explanation for why the project is not competitive for federal funding and why the District is taking the lead on the feasibility study. c. Add inundation maps to the project's webpage to show the 5,000 homes to be protected from flooding.

Project:		Status:	Comment:
E5	San Francisquito Creek Flood Protection San Francisco Bay to Middlefield Road – Palo Alto	On Target	IMC agrees with status. Recommendations are: - Safe, Clean Water Program text adjustments to the project description to have the first paragraph explain the San Francisquito Creek Joint Powers Authority and the District's role in the project.
E6	Upper Llagas Creek Flood Protection Buena Vista Avenue to Wright Avenue – Morgan Hill, San Martin, Gilroy	Adjusted	IMC agrees with status. Recommendations are: - For the FY17 Safe, Clean Water Annual Report, mention the U.S. Army Corps of Engineers under the jurisdictional complexity section.
E7	San Francisco Bay Shoreline Study Milpitas, Mountain View, Palo Alto, Santa Clara and Sunnyvale	On Target	IMC agrees with status. Recommendations are: - Safe, Clean Water Program text adjustments to the project title to read "South San Francisco Bay Shoreline Protection," which will better capture all the project elements (i.e. study, design and construction). - For the FY17 Safe, Clean Water Annual Report, for both KPIs, include the full picture of funding and jurisdictional complexity, including the Don Edwards Refuge/USFWS owned-land.
E8	Upper Guadalupe River Flood Protection Highway 280 to Blossom Hill Road – San José	Adjusted	IMC agrees with status. Recommendations are: - For the FY17 Safe, Clean Water Annual Report a. Highlight the opportunities. It's a good story.

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Other Capital Flood Protection Projects and Clean, Safe Creeks Grants Projects

Project:	Status:	Comment:
Permanente Creek Flood Protection San Francisco Bay to Foothill Expressway – Mountain View	Adjusted	IMC agrees with status. Recommendation: - In the FY17 Safe, Clean Water Annual Report, clarify the Hale Creek reference under confidence levels so as not to confuse it with the Hale Creek Project referenced in the Creek Restoration and Stabilization Project (D6).
Sunnyvale East and Sunnyvale West Channel Flood Protection San Francisco Bay to Inverness Way and Almanor Avenue – Sunnyvale	Adjusted	IMC agrees with status. Recommendations are: - In the FY17 Safe, Clean Water Annual Report a. Include a legend for the map b. Name the jurisdictions under jurisdictional complexity and apply a confidence level
Berryessa Creek Flood Protection Calaveras Boulevard to Interstate 680 – Milpitas and San José	Adjusted	IMC agrees with status. No recommendation.
Coyote Creek Flood Protection Montague Expressway to Interstate 280 – San José	Adjusted	IMC agrees with status. Recommendations are: - In the FY17 Safe, Clean Water Annual Report a. Include a legend for the map b. Include Coyote Creek Park Chain in the map because it is referenced in the benefits. c. Name the jurisdictions under jurisdictional complexity and apply a confidence level
Calabazas Creek Flood Protection Miller Avenue to Wardell Road – Sunnyvale	Completed	IMC agrees with status. No recommendation.

Project:	Status:	Comment:
Clean, Safe Creeks Grants Projects	On Target	IMC agrees with status. Recommendations are: - In the FY17 Safe, Clean Water Annual Report a. Include the active and completed grants in Appendix C b. In the CSC Grant Table status definitions (shown at the bottom of p. 152 of the FY16 annual report), correct "Amendment in Process" to "Extended"